[2nd December 1970

APPENDIX VI

[*Vide* item VII (5)]

L.A. Bill No. 41 of 1970

(As passed by the Assembly)

A Bill further to amend the Tamil Nadu Co-operative Societies Act, 1961.

BE it enacted by the Legislature of the State of Tamil Nadu in the Twenty-first Year of the Republic of India as follows :—

1. *Short title.*—This Act may be called the Tamil Nadu Co-operative Societies (Third Amendment) Act, 1970.

2. *Insertion of new Chapter IX-B in Tamil Nadu Act* 53 *of* 1961.-After Chapter IX-A of the Tamil Nadu Co-operative Societies Act, 1961 (Tamil Nadu Act 53 of 1961) (hereinafter referred to as the principal Act), the following Chapter shall be inserted, namely :—

"CHAPTER IX-B.

APEX SOCIETIES.

73-H. *Definitions.*—In this Chapter, unless the context otherwise requires,—

(*a*) "apex society" means a registered society whose area of operations extends to the whole of the State of Tamil Nadu ; and

(*i*) which has as its principal object, the promtion of the principal objects and the provision of facilities for the operations, of other registered societies affliated to it ; and

(*ii*) which is classified by the Government, by notification, as an apex society ;

but does not include the Tamil Nadu Co-operative State Land Development Bank Limited and the Tamil Nadu State Co-operative Bank Limited ;

(*b*) "board" in relation to an apex society means the board of directors or the board of management or the committee of management or the governing body to whom the management of its affairs is entrusted ;

(*c*) "notified date" in relation to an apex society means the date specified in a notification issued under section 73-I in relation to such society.

73-I. *Application of this Chapter to apex societies.*—The Government may, by notification, apply the provisions of this Chapter to any apex society from such date as may be specified in such notification.

73-J. *The Board of an apex society.*—(1) The board shall consist of—

(*i*) such number of members to be elected and nominated as may be prescribed,

(*ii*) the Managing Director, if any, appointed under sub-section (2), and

(*iii*) an *ex-officio* member to be specified in the rules :

Provided that the number of nominated members shall not exceed one-fifth of the total number of members of the board :

Provided further that the existing members of the board on the notified date shall, subject to the provisions of section 28, continue as members of the board constituted for the first time after the notified date, until the expiry of their existing term of office as members :

Provided also that on the constitution of the board for the first time after the notified date, the existing office bearers of the board on the notified date shall cease to hold office as such and new office bearers shall be elected in accordance with the rules made under this Chapter.

(2) A Managing Director or an Executive Officer for each apex society may be appointed in such manner as may be prescribed. The Managing Director, if appointed, shall be a member of the board *ex-officio*.

(3) The Government may, by order, depute one or more officers of the Government to attend any meetings of the board and to take part in the discussions of the board, but such officer or officers shall not have the right to vote.

73-K. *Membership of apex societies.*—Every registered society of such class as may be prescribed, shall, on application made in the form, if any, prescribed for the purpose, be deemed to be admitted as a member of the apex society on and from the date of receipt of such application by the apex society :

Provided that any member deemed to be admitted under this section may, with the approval of the Registrar, be removed from membership by the board ; and any application for obtaining such approval shall be made within two months from the date on which such member is deemed to be admitted.

73-L. *Guarantee by Government of principal of, and interest on loans and advances taken by apex societies.*—(1) The Government may, subject to such maximum amount as may be fixed by them and subject to such conditions as they may think fit to impose, guarantee the repayment of the principal of, and the payment of interest on, any loan or advance taken by any apex society.

(2) The Government may, after consulting both Houses of the Legislature increase the maximum amount of the guarantee fixed by them under sub-section (1).

73-M. *Power to make rules.*—(1) The Government may make rules to carry out the purposes of this Chapter and different provisions may be made in the rules for different apex societies.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for—

(*i*) all matters expressly required or allowed by this Chapter to be prescribed ;

(*ii*) the classification of registered societies for the purposes of section 73-K ;

(*iii*) the number of members to be elected to the board and the number to be elected from each district or from each registered society or class of registered societies ;

(*iv*) the number of members to be nominated to the board and their qualifications ;

(*v*) the term of office of the members of the board and their removal ;

(*vi*) all matters relating to election and nomination of members to the board including the voters for such election and their disqualifications and the representation for special interests not otherwise represented in the board ;

(*vii*) the election of office bearers to the board, their term of office and their removal ;

(*viii*) the constitution of the executive committee of the board and the delegation of the functions of the board to the executive committee ;

(*ix*) the manner of appointment, qualifications powers and functions of the Managing Director and of the Executive Officer and the delegation of their powers and functions.

73-N. *Provisions of this Chapter to over-ride other provisions.*—The provisions of this Chapter shall have effect notwithstanding anything inconsistent therewith contained in any other provision of this Act or in any rule or by-law (including the by-law of any registered society) or in any other law for the time being in force.

3. *Amendment of section* 96, *Tamil NaduAct* 53 *of* 1961.-In clause(*a*) of sub-section (2) of section 96 of the principal Act, after the expression "approval of or refusal to approve the removal of a member under the proviso to clause (*a*) of sub-section (2) of section 17, the proviso to sub-section (4) or the proviso to sub-section (5) of section 73-B," the expression "the proviso to section 73-K" shall be inserted.

I Certify that this is a Money Bill.

FORT ST. GEORGE, MADRAS — K. GOVINDAN, SPEAKER

DATE : 28-11-1970. — *Tamil Nadu Legislative Assembly*